

Service Area Plan

Department Of Housing And Community Development

Housing Assistance (45801)

Service Area Background Information

Service Area Description

This service area administers the Commonwealth's programs seeking to provide safe, accessible, and decent housing opportunities through local for-profit and nonprofit organizations that serve low income individuals and households with incomes falling below 80% of area median income (AMI), including the elderly and disabled.

Funds are used for grants and loans to increase production of single and multi-family housing targeted at households at or below 80% of AMI, to remove health and safety hazards including lead-based paint, to improve affordability and habitability through energy-efficiency, heating, and plumbing improvements, and to address accessibility needs.

Additionally, this service area addresses the substandard housing conditions in Virginia's rural areas through housing rehabilitation services. One in every seven housing units in the most rural Virginia counties is over 65 years old compared to less than one in ten in the state as a whole. Even when indoor plumbing may exist, older housing is more likely to require rehabilitation, including improvements to major building components and systems, to meet current health and safety standards. Funds will be provided to local and regional organizations for housing rehabilitation. Substandard housing units will be brought up to DHCD's Housing Quality Standard ensuring a decent, safe and sanitary living environment. Program beneficiaries will have household incomes of 80 percent or less of the area median income.

Service Area Alignment to Mission

This service area directly aligns with DHCD's mission of working in partnership to make Virginia's communities safe and affordable places in which to live. In addition, an improved housing stock enhances the economic viability of a community.

Service Area Statutory Authority

DHCD's primary authority is found within Title 36 of the Code of Virginia.

Chapter 8 provides for the establishment of the Department and sets out the general powers and specific duties of the agency's policy board and its director. This includes the authority to administer various federally-funded housing and community development grant programs, including those administered by the Division of Housing:

HOME Investment Partnerships (HOME): National Affordable Housing Act, Title II, 1990, as amended.

Low Income Home Energy Assistance Program (LIHEAP) [allocation from the Department of Social Services]: Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Title III, Sections 301-309

Lead Hazard: Housing and Community Development Act of 1992, Title X, Public Law 102-550; Consolidated Appropriations Resolution Act, 2004, Public Law 108-199.

Weatherization Assistance Program (WAP): Energy Conservation and Production Act, Title IV, Part A, Public Law 94-385, 42 U.S.C. 6851-6872; Department of Energy Organization Act of 1977, as amended, Public Law 95-91, 42 U.S.C. 7101; National Energy Conservation Policy Act of 1978, Title II, Part 2, Public Law 95-619, 92 Stat. 3206; Energy Security Act of 1980, Title V, Subtitle E, Public Law 96-294; Human Services Reauthorization Act of 1984, Public Law 98-558, 98 Stat. 2888; State Energy Efficiency Programs Improvement Act of 1990, Public Law 101-440.

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Service Area Customer Base

Customer(s)	Served	Potential
Individuals and families at 130% of poverty (Households)	1,065	420,329
Low- income elderly individuals living in housing units that need repairs (Housing Units)	645	648,729
Low-income disabled individuals and families requiring accessibility improvements (Households)	130	456,368
Low-income households living in units without complete indoor plumbing	200	19,550
Low-income households with children age 6 or under in units constructed before 1978 (Housing Units)	87	1,619,465

Service Area Partners

- For-profit and non-profit builders, local government agencies, Virginia Housing Development Authority and other State agencies

Service Area Products and Services

- Funding through grants and loans
- Grants administration for Housing and Urban Development, Department of Energy, Department of Health and Human Services, state and special fund sources (Commonwealth Priority Housing Fund and Virginia Housing Partnership Fund) used for development of affordable multi-family and single family housing development and rehabilitation for low income and special needs populations including the elderly, the disabled and the previously homeless, homeownership assistance for first-time homebuyers and the disabled, indoor plumbing and housing rehabilitation, health and safety hazards in housing units through lead paint hazard control measures, and repair and rehabilitation of substandard units, using the Virginia Lead Safe Home Program, Weatherization Assistance Program, Emergency Home Repair Program, Indoor Plumbing Rehabilitation Program, and State tax refund donations to the Virginia Housing Program.
- Customer service through annual training, technical assistance visits, and monitoring visits
- Operating Support for community-based housing organizations

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Factors Impacting Service Area Products and Services

- Demolition of deteriorated and obsolete low-income rental units in large metropolitan areas continues to accelerate with expiration of tax credits programs implemented in the mid-80's resulting in shortage in affordable rental housing.
- Growing gap between incomes and housing costs for very-low income persons as housing costs continue to escalate throughout the Commonwealth.
- Growing numbers of disabled, elderly, and homeless households are creating a higher demand for housing connected to critical supportive services.
- Requests for assistance for home modifications are expected to increase due to a larger elderly population.
- Higher costs for materials are expected to increase the average cost per housing unit.
- Federal funding cuts affecting the operations of many nonprofit organizations, such as Community Action Programs.
- The current federal funding for the Virginia Lead Safe Home Program expires on July 31, 2005. A grant application to secure competitive federal funding was submitted.
- The number of activities/organizations eligible for voluntary contributions from State tax refunds has greatly increased.
- Over 70% of the housing units in the State were constructed before 1980.

Anticipated Changes To Service Area Products and Services

- The demand for services is anticipated to increase due to the aging population. It is unlikely that the current funding levels will be adequate to meet the increased demand.
- As the cost of materials rises, some program activities may become limited due to caps on the amount of funds, particularly federal funds, that may be used in a housing unit.
- The recent decrease in federal support for Community Action Programs, one of DHCD's partners, is expected to have an effect on the number of staff available to provide direct services. This may result in fewer housing units receiving assistance.
- If additional competitive federal funding is not obtained, the Virginia Lead Safe Home Program will end on July 31, 2005.
- The number of opportunities for voluntary contributions of State tax refunds has increased from 23 for tax year 2000 to 34 for tax year 2005; one of these, Public School Foundations, lists 63 public school foundations that are eligible for contributions. It is anticipated that donations through the Virginia Housing Program will decrease.
- As housing units age, they need repairs, often due to deferred maintenance as the occupants are unable to afford the necessary repairs and upkeep. It is anticipated that demand for services will increase as these homes reach critical condition. It is unlikely that the current funding levels will be adequate to meet the increased demand.

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Service Area Human Resources Summary

Service Area Human Resources Overview

Service Area Full-Time Equivalent (FTE) Position Summary

Effective Date: 1/31/2006

Total Authorized Position level 17.55

Vacant Positions 6.4

Non-Classified (Filled)..... 0

Full-Time Classified (Filled) 11.5

Part-Time Classified (Filled) 0

Faculty (Filled) 0

Wage 2

Contract Employees 0

Total Human Resource Level 13.5

Factors Impacting Service Area Human Resources

Anticipated Changes in Service Area Human Resources

Service Area Financial Summary

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$3,281,243	\$23,858,265	\$3,281,243	\$23,858,265
Changes To Base	\$4,295	\$87,603	\$4,295	\$87,603
SERVICE AREA TOTAL	\$3,285,538	\$23,945,868	\$3,285,538	\$23,945,868

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Service Area Objectives, Measures, and Strategies

Objective 45801.01

Improve the quality of housing units occupied by low-income households, including the elderly and disabled

This Objective Supports the Following Agency Goals:

- Increase the availability and affordability of safe and accessible housing throughout the Commonwealth.

This Objective Has The Following Measure(s):

- **Measure 45801.01.01**

Number of households provided with new or improved affordable housing.

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: Rehab assistance provided to 1650 housing units in FY 05.

Measure Target: With increasing cost and age of properties to be rehabilitated, the goal is to maintain current production levels of 1700 rehabbed units in FY 07 and 08; and 200 homes improved through Indoor Plumbing.

Measure Source and Calculation:

This measure is calculated on the number of substandard housing units occupied by low-income individuals and families that are repaired, rehabilitated, and/or receive energy-efficiency improvements. Information will be gathered through periodic reports to DHCD from nonprofit organizations and local governments that provide the direct services. The number of households served at the end of each fiscal year will be compared to the preceding year.

- **Measure 45801.01.02**

Number of households provided with new or improved affordable housing.

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: 130 households were modified to accommodate accessibility needs of low-income elderly or households with persons having a physical disability in FY 05.

Measure Target: Improved accessibility to a minimum of 130 units in FY 07 & 08 in the number of housing units occupied by low-income individuals with a physical disability that receive accessibility improvements through a local agency.

Measure Source and Calculation:

This measure is calculated on the number of housing units occupied by low-income individuals with a physical disability that receive accessibility improvements. Information will be gathered through periodic reports to DHCD from nonprofit organizations and local governments that provide the direct services. The number of households served at the end of each fiscal year will be compared to the preceding year.

Objective 45801.01 Has the Following Strategies:

- Execute program agreement.

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- Announce funds availability targeted at purchase of accessible, manufactured housing units through CIL network.
- Monitor production through receipt of closing documents.
- Decide whether demand warrants program expansion.
- Working with state and local partners, DHCD will identify sub-standard units requiring repair and rehabilitation.
- DHCD will sign grant agreements with partner agencies assigning numeric production goals.
- DHCD will monitor grantee performance through quarterly reports and on-site monitoring of partner agencies.
- DHCS will make training and other technical assistance available to grantees that will increase cost-effectiveness of rehab programs.

Objective 45801.02

Provide homeownership opportunities to low-income, first-time homebuyers

This Objective Supports the Following Agency Goals:

- Increase the availability and affordability of safe and accessible housing throughout the Commonwealth.

This Objective Has The Following Measure(s):

- **Measure 45801.02.01**

Number of households provided with new or improved affordable housing.

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: Reports from nonprofit organizations providing homeownership assistance indicate that 331 units receiving assistance closed in 2004-05

Measure Target: With increasing housing costs, the goal is to maintain the level of 330 new homeowners in FY 07 & 08 with at least 5 of these being households that include a person having a disability.

Measure Source and Calculation:

This measure is calculated using the number of homeownership closing assisted through down payment and closing cost assistance. Information will be gathered through receipt of closing statements by DHCD from nonprofit organizations and local governments that administer homeownership assistance programs. The number of households served at the end of each fiscal year will be calculated at the end of each program year.

Objective 45801.02 Has the Following Strategies:

- Identify opportunities for marketing and collaboration among DHCD's partners to insure targeted households are made aware of available funding.
- Encourage and monitor program administrators to insure calculations for assistance are at minimum funding necessary to insure homeownership availability.
- Establish benchmarks for each program and evaluate progress on a quarterly basis to ensure the benchmarks are met.
- Execute program agreement.

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- Announce funds availability targeted at purchase of accessible, manufactured housing units through CIL network.
- Decide whether demand warrants program expansion.
- Monitor production through receipt of closing documents.

Objective 45801.03

To increase the availability of affordable rental units

This Objective Supports the Following Agency Goals:

- Increase the availability and affordability of safe and accessible housing throughout the Commonwealth.

This Objective Has The Following Measure(s):

- **Measure 45801.03.01**

Number of households provided with new or improved affordable housing.

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: Through the use of DHCD resources, an average of 400 units were developed in FY 05 for households at or below 80% of AMI.

Measure Target: Maintain a minimum production level of 400 units in FY 07 & 08 by successfully addressing issues of rising costs for land and materials.

Measure Source and Calculation:

This measure is calculated using closeout reports provided by housing developers at project completion. The number of units will be the total units developed using DHCD as a source of funding.

Objective 45801.03 Has the Following Strategies:

- Implement programs that address predevelopment needs through Commonwealth Priority Housing Fund, Single Room Occupancy development funds, and other funding partnerships to allow developers to react quickly.
- Continue partnerships with VHDA, ATLF, and other funding sources to insure low interest funding options are available for housing production.
- Offer training and technical assistance to non-profit housing developers to insure cost effectiveness in housing projects.
- Develop legislative package to increase funding availability for housing production targeted at low income